**Quarry Co-operative Incorporated**

**By-Law No. 5**

### **Arrears Control**

Passed May 7, 2013 by

The Board of Directors

Confirmed June 11, 2013 by the Members

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1. **PURPOSE OF THIS BY-LAW**

1.1 This By-Law sets out the Co-op’s rules about:

* How and when members pay their housing charges effective June 11, 2013
* How the Co-op ensures housing charges are paid in full and on time
* Directors in arrears

1. **DEFINITIONS**

**“ARREARS”**

Shall mean any and all sums of money that are owed to the Co-op and are not paid in full and on time, as per the Co-op’s By-Laws, Policies and Procedures.

**“BUSINESS DAY”**

Shall mean from Monday to Friday.

**“BUSINESS HOURS”**

Shall mean between the hours of 8:00am to 5:00pm

**“CLOSE OF BUSINESS”**

Shall mean the end of the work day of the Co-op Office, 5.00pm Ottawa time.

**“HOUSING CHARGES”**

Shall mean Housing Fees, Rent, Parking Fees, Parking Charges or any Monies owed to the Quarry Co-op.

**“MEMBERS”**

Shall include those people whose names are listed on the Quarry Co-op Occupancy Agreement

**“QUARRY CO-OP/QUARRY CO-OPERATIVE INCORPORATED”**

Shall be identified as the “Co-op”

**“WORKING DAY”**

Shall mean from Monday to Friday between the hours of 8:00am to 5:00pm.

1. **PRIORITY OF THIS BY-LAW**

3.1 This By-law takes the place of or amends all previous By-laws or decisions that deal with payment of housing charges, arrears collection and directors in arrears. The Co-op is not required to follow the procedures set out in this By-law before taking proceedings under the *Occupancy By-law* such as issuing a notice to consider eviction, going to court for eviction proceedings or suing for arrears.

3.2 If there is a conflict between documents, the documents will govern in the following order:

* first, the *Act (Co-Corporative Corporations Act)*
* second, the Articles of Incorporation
* third, the Occupancy By-law of the Co-op, and
* fourth, the rest of this By-law, the other By-laws, and the legally adopted policies, rules and regulations of the Co-op.

The Co-op, board, members and employees must follow this order of priority.

1. **PAYMENT OF HOUSING CHARGES**

4.1 Housing charges include all amounts that the Co-op charges to members in accordance with the Co-operative Corporations Act and the Co-op’s *Occupancy By-law*.

4.2 Housing charges are due as set out in the Co-op’s *Occupancy By-law*.

4.3 Payment of housing charges may be made by:

* Cheque
* Certified cheque or money order
* Electronic fund transfer

Members who pay by cheque are encouraged to submit post-dated cheques.

Cash payments will not be accepted.

4.4 Payments of housing charges may be:

* Deposited in the Co-op’s mail box
* Hand delivered to the Co-op’s management
* Made by electronic fund transfer to the Co-op's credit union or bank account

1. **LATE PAYMENTS**

5.1 Payments not received in full and on time as set out in the Co-op’s *Occupancy By-law* will be considered late.

5.2 By the close of business on the first business day of the month, *notice of Late Payment* will be issued to members who have not paid their housing charges in full and on time as set out in the Co-op’s *Occupancy By-law*.

5.3 A late payment charge of $20.00 per day, to a maximum of $50.00 per month, will be applied to the member account if housing charges are not paid in full and on time as set out in the Co-op’s *Occupancy By-law.*

5.4 A notice to consider eviction will be sent to members whose housing charges are not paid in full by the third business day of each month.

5.5 Late payment of housing charges twice within a year will be considered chronic late payment**.** A notice to consider eviction will be issued to members who pay their housing charges chronically late.

5.6 Failure to pay late payment charges will be considered non-payment of housing charges.

1. **RETURN CHEQUES**

6.1 If a cheque for payment of housing charges is returned by the bank or credit union for any reason including NSF (not sufficient funds), funds held, stop payment or account closed, a **$50.00** charge will be applied to the member account.

6.2 Upon written notification by the Co-op, returned cheques must be replaced by a certified cheque, money order or electronic funds transfer, within two working days of notification.

6.3 A notice to consider eviction will be issued if a returned cheque is not replaced within two working days of notification by the co-op.

6.4 If two cheques are returned within a twelve month period, the member will be required to pay housing charges by certified cheque or money order or Electronic Funds Transferfor a period of one year. Payment in any other form will not be accepted.

6.5 Failure to pay returned cheques (non-sufficient funds) charges will be considered non-payment of housing charges. If a returned cheque’s charges occur, then Members will be subject to any penalty that is outlined in this or any Co-op By-law or policy or regulation.

1. **DIRECTORS IN ARREARS**

7.1 All directors must pay their housing charges or other money owed to the Co-op in full and on time.  If a director falls into arrears, she/he will be removed from the Board unless she/he pays the arrears in full by the third day of the month. In conjunction with being removed from the Board, a director who does not pay their arrears, by the third day of the month, will also be subject to the same terms and conditions as other members, as set out in Section 5, "Late Payments”.

1. **REPORTING**

8.1 Each month, the manager will prepare an arrears report for review by the board of directors.

8.2 The manager’s regular report to the Board will include:

* The names of members who owe money to the Co-op, the amount they owe, and their payment history
* The number and amount of late payments made during the reporting period
* The number of cheques returned to the Co-op marked NSF during the reporting period
* The names of members required to make future payments by certified cheque or money order
* The number of eviction notices issued during the reporting period

1. **MEMBERS WHO MOVE OUT IN ARREARS**

9.1 The Co-op will take all reasonable steps to collect arrears from members who have moved out of the Co-op. These steps may include:

* Sending a registered letter to the former member at her/his last known address with a summary of the amount owing
* Placing the account with a collection agency
* Informing the local municipality of the arrears
* Commencing legal action (which may include garnishing of wages)

9.2 If a member moves out of the Co-op owing housing charges, until this amount is fully paid, she/he:

* Is prohibited from applying for membership in the Quarry Co-op
* Is prohibited from occupying or residing in the Quarry Co-op unit
* is prohibited from occupying or residing in the Quarry Co-op unit as a long-term guest

CERTIFIED to be a true copy of **By-law No.5 of Quarry Co-operative Incorporated** passed by the Board of Directors at a meeting held on the 7th day of May, 2013 and confirmed by a two thirds vote at a meeting of the members held June 11, 2013.

Corporate Secretary Date

President Date